

Executive Summary – Enforcement Matter – Case No. 47636
Akzo Nobel Polymer Chemicals LLC
RN102177391
Docket No. 2013-1730-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Akzo Nobel Chemicals Deer Park, 730 Independence Parkway South, La Porte, Harris County

Type of Operation:

Chemical manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Enforcement Case No. 47329

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: February 7, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$23,251

Amount Deferred for Expedited Settlement: \$4,650

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$9,301

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$9,300

Name of SEP: Houston-Galveston Area Council

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: March 20, 2013 through April 11, 2013

Date(s) of NOE(s): August 30, 2013

Executive Summary – Enforcement Matter – Case No. 47636
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RN102177391
Docket No. 2013-1730-AIR-E

Violation Information

1. Failed to maintain the minimum net heating value of 300 British thermal units per standard cubic foot (“Btu/scf”) for the Flare (Emission Point Number (“EPN”) SF-1). Specifically, the net heating value fell below 300 Btu/scf on 158 intermittent occasions between February 6, 2012 and October 27, 2012 [30 TEX. ADMIN. CODE §§ 101.20(1), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CODE OF FEDERAL REGULATIONS § 60.18(c)(3)(ii), Federal Operating Permit (“FOP”) No. O3331, Special Terms and Conditions (“STC”) Nos. 1A and 9, New Source Review (“NSR”) Permit No. 19545, Special Conditions (“SC”) No. 3, NSR Permit No. 33000, SC No. 2A, NSR Permit No. 34028, SC No. 5A, NSR Permit No. 45065, SC No. 7A, and NSR Permit No. 7700, SC No. 5A].
2. Failed to maintain records of pressure testing performed after the replacement of piping or connection equipment. Specifically, during the period of January 17, 2012 through January 16, 2013, records of pressure testing performed after equipment was replaced were not maintained [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O3331, STC No. 9, and NSR Permit No. 19545, SC No. 5].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. By November 20, 2012, conducted operator training sessions on proper flare operation;
- b. On February 27, 2013, implemented a recordkeeping system to ensure that records of pressure testing performed after equipment is replaced are maintained on site for at least two years; and
- c. On May 5, 2013, replaced the thermocouple relay and wire for the alarm signal to ensure that the minimum net heating value of the Flare EPN SF-1 is maintained.

Technical Requirements:

The Order will require the Respondent to implement and complete a Supplemental Environmental Project (“SEP”). (See SEP Attachment A)

Executive Summary – Enforcement Matter – Case No. 47636
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Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Rachel Bekowies, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-2608; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456
TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division,
MC 219, (512) 239-3565
Respondent: Scott Fossum, Site Director, Akzo Nobel Polymer Chemicals LLC, 730
Independence Parkway South, La Porte, Texas 77571-9824
Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-1730-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Akzo Nobel Polymer Chemicals LLC
Penalty Amount:	Eighteen Thousand Six Hundred One Dollars (\$18,601)
SEP Offset Amount:	Nine Thousand Three Hundred Dollars (\$9,300)
Type of SEP:	Contribution to a Third-Party Administrator SEP
Third-Party Administrator:	Houston-Galveston Area Council-AERCO ("AERCO")
Project Name:	<i>Clean Vehicles Partnership Project</i>
Location of SEP:	Angelina, Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Matagorda, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Trinity, Tyler, Walker, Waller, and Wharton Counties

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Houston-Galveston Area Council-AERCO** for the *Clean Vehicles Partnership Project*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount will be used to to replace old, higher emission buses that do not meet 2010 Environmental Protection Agency ("EPA") emissions standards ("Old Buses") with new, lower emission buses that meet the most recent EPA emissions standards ("New Buses") or to retrofit or convert Old Buses with emissions reducing equipment. The Third-Party Administrator shall allocate the SEP Offset Amount to public entities such as school districts, local governments, and public transit authorities ("SEP Recipients") that apply for replacement, retrofit, or conversion of buses.

The SEP Offset Amount may also be used for retrofit or conversion technology that brings an Old Bus up to current EPA emissions standards. New buses may be alternative-fueled. The SEP Offset Amount may be used for up to 100% of the replacement, conversion, or retrofit cost. The SEP Offset Amount will be used only for purchase of New Buses or conversion or retrofit equipment and contract labor for installation of equipment. The SEP Offset Amount will not be used for financing such a purchase through a lease-purchase or similar agreement.

Retrofitting means reducing exhaust emissions to current standards by installing devices that are verified or certified by the EPA or the California Air Resources Board as proven retrofit technologies. Converting means replacing an engine system with an alternative fuel engine system to bring the Old Bus within the current EPA emissions standards. Buses to be replaced, retrofitted, or converted must be in regular use (driven at least five hundred miles per year for at least the past two years) by the SEP Administrator and must not already be scheduled for replacement in the following twenty-four months.

All replaced buses must be fully decommissioned. The Third-Party Administrator shall provide proof of decommissioning to TCEQ for each replaced vehicle by submitting a copy of the TCEQ SEP Vehicle Replacement Disposition Form. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

Respondent's signature affixed to this Agreed Order certifies that Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a 2010 ultra-low emission model, passengers' exposure to nitrogen oxides may be reduced by 98%; volatile organic compounds by 93%; carbon dioxide by 83%; and particulate matter by 99%. In addition, by encouraging less bus idling, this SEP contributes to public awareness of air pollution and air quality.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall make the check payable to **Houston-Galveston Area Council-AERCO SEP** and shall mail the contribution with a copy of the Agreed Order to:

Houston-Galveston Area Council-AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	3-Sep-2013	
	PCW	12-Sep-2013	Screening 12-Sep-2013 EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent	Akzo Nobel Polymer Chemicals LLC		
Reg. Ent. Ref. No.	RN102177391		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	47636	No. of Violations	2
Docket No.	2013-1730-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rachel Bekowies
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** \$15,000**ADJUSTMENTS (+/-) TO SUBTOTAL 1**

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 80.0% Enhancement **Subtotals 2, 3, & 7** \$12,000**Notes** Enhancement for two NOVs with similar violations, two orders with denial of liability, and one final court judgement with denial of liability.**Culpability** No 0.0% Enhancement **Subtotal 4** \$0**Notes** The Respondent does not meet the culpability criteria.**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** \$3,749**Economic Benefit** 0.0% Enhancement* **Subtotal 6** \$0Total EB Amounts \$331
Approx. Cost of Compliance \$5,440
*Capped at the Total EB \$ Amount**SUM OF SUBTOTALS 1-7** **Final Subtotal** \$23,251**OTHER FACTORS AS JUSTICE MAY REQUIRE** 0.0% **Adjustment** \$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes**Final Penalty Amount** \$23,251**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** \$23,251**DEFERRAL** 20.0% Reduction **Adjustment** -\$4,650

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY \$18,601

Screening Date 12-Sep-2013

Docket No. 2013-1730-AIR-E

PCW

Respondent Akzo Nobel Polymer Chemicals LLC

Policy Revision 3 (September 2011)

Case ID No. 47636

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102177391

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	2	10%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	2	40%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 80%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for two NOVs with similar violations, two orders with denial of liability, and one final court judgement with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 80%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 80%

Screening Date 12-Sep-2013

Docket No. 2013-1730-AIR-E

PCW

Respondent Akzo Nobel Polymer Chemicals LLC

Policy Revision 3 (September 2011)

Case ID No. 47636

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102177391

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(1), 116.115(c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), 40 Code of Federal Regulations § 60.18(c)(3)(ii), Federal Operating Permit ("FOP") No. 03331, Special Terms and Conditions ("STC") Nos. 1A and 9, New Source Review ("NSR") Permit No. 19545, Special Conditions ("SC") No. 3, NSR Permit No. 33000, SC No. 2A, NSR Permit No. 34028, SC No. 5A, NSR Permit No. 45065, SC No. 7A, and NSR Permit No. 7700, SC No. 5A

Violation Description

Failed to maintain the minimum net heating value of 300 British thermal units per standard cubic foot ("Btu/scf") for the Flare (Emission Point Number SF-1). Specifically, the net heating value fell below 300 Btu/scf on 158 intermittent occasions between February 6, 2012 and October 27, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 3

94 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$11,250

Three quarterly events are recommended for the period of February 26, 2012 through October 27, 2012.

Good Faith Efforts to Comply

25.0% Reduction

\$2,812

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on May 5, 2013, prior to the August 30, 2013 Notice of Enforcement ("NOE").

Violation Subtotal \$8,438

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$248

Violation Final Penalty Total \$17,438

This violation Final Assessed Penalty (adjusted for limits) \$17,438

Economic Benefit Worksheet

Respondent Akzo Nobel Polymer Chemicals LLC
Case ID No. 47636
Reg. Ent. Reference No. RN102177391
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment	\$1,940	6-Feb-2012	5-May-2013	1.24	\$8	\$161	\$169
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$2,000	6-Feb-2012	20-Nov-2012	0.79	\$79	n/a	\$79
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to replace the thermocouple relay and wire for the alarm signal and to conduct operator training sessions for proper flare operation. The Date Required is the first date of the noncompliance period. The Final Dates are the date that the thermocouple relay and wire were replaced and the date of the last training session.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$3,940

TOTAL

\$248

Screening Date 12-Sep-2013

Docket No. 2013-1730-AIR-E

PCW

Respondent Akzo Nobel Polymer Chemicals LLC

Policy Revision 3 (September 2011)

Case ID No. 47636

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102177391

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 03331, STC No. 9, and NSR Permit No. 19545, SC No. 5

Violation Description

Failed to maintain records of pressure testing performed after the replacement of piping or connection equipment. Specifically, during the period of January 17, 2012 through January 16, 2013, records of pressure testing performed after equipment was replaced were not maintained.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 15.0%

Matrix Notes

100% of the permit requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

407 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$3,750

One single event is recommended for the one set of records that was not being maintained.

Good Faith Efforts to Comply

25.0% Reduction

\$937

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on February 27, 2013, prior to the August 30, 2013 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$84

Violation Final Penalty Total \$5,813

This violation Final Assessed Penalty (adjusted for limits) \$5,813

Economic Benefit Worksheet

Respondent Akzo Nobel Polymer Chemicals LLC
 Case ID No. 47636
 Reg. Ent. Reference No. RN102177391
 Media Air
 Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,500	17-Jan-2012	27-Feb-2013	1.12	\$84	n/a	\$84
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to improve the recordkeeping system to ensure that records of pressure tests performed after equipment is replaced are maintained on site for at least two years. The Date Required is the first date of the noncompliance period. The Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$84



Compliance History Report

PENDING Compliance History Report for CN600125488, RN102177391, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator:	CN600125488, Akzo Nobel Polymer Chemicals LLC	Classification: SATISFACTORY	Rating: 2.45
Regulated Entity:	RN102177391, AKZO NOBEL CHEMICALS DEER PARK	Classification: SATISFACTORY	Rating: 7.84
Complexity Points:	17	Repeat Violator:	NO
CH Group:	05 - Chemical Manufacturing		
Location:	730 INDEPENDENCE PARKWAY SOUTH LA PORTE, TEXAS 77571-9824, HARRIS COUNTY		
TCEQ Region:	REGION 12 - HOUSTON		

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0717K

AIR OPERATING PERMITS PERMIT 3331

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30281

WASTEWATER EPA ID TX0006688

AIR NEW SOURCE PERMITS PERMIT 1506

AIR NEW SOURCE PERMITS PERMIT 7381

AIR NEW SOURCE PERMITS PERMIT 7700

AIR NEW SOURCE PERMITS REGISTRATION 13887

AIR NEW SOURCE PERMITS PERMIT 24066

AIR NEW SOURCE PERMITS PERMIT 34028

AIR NEW SOURCE PERMITS PERMIT 45065

AIR NEW SOURCE PERMITS REGISTRATION 76287

AIR NEW SOURCE PERMITS REGISTRATION 72468

AIR NEW SOURCE PERMITS REGISTRATION 74129

AIR NEW SOURCE PERMITS REGISTRATION 80475

AIR NEW SOURCE PERMITS REGISTRATION 84558

AIR NEW SOURCE PERMITS REGISTRATION 92768

AIR NEW SOURCE PERMITS REGISTRATION 101364

AIR NEW SOURCE PERMITS REGISTRATION 101813

USED OIL ID NUMBER HOU00034

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG0717K

AIR OPERATING PERMITS PERMIT 3331

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD057191199

WASTEWATER PERMIT WQ0004119000

AIR NEW SOURCE PERMITS PERMIT 1505

AIR NEW SOURCE PERMITS PERMIT 2300

AIR NEW SOURCE PERMITS PERMIT 7407

AIR NEW SOURCE PERMITS PERMIT 8149

AIR NEW SOURCE PERMITS PERMIT 19545

AIR NEW SOURCE PERMITS PERMIT 33000

AIR NEW SOURCE PERMITS REGISTRATION 35804

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG0717K

AIR NEW SOURCE PERMITS AFS NUM 4820100052

AIR NEW SOURCE PERMITS REGISTRATION 73260

AIR NEW SOURCE PERMITS REGISTRATION 77777

AIR NEW SOURCE PERMITS REGISTRATION 81498

AIR NEW SOURCE PERMITS REGISTRATION 91610

AIR NEW SOURCE PERMITS REGISTRATION 95532

AIR NEW SOURCE PERMITS REGISTRATION 99041

AIR NEW SOURCE PERMITS REGISTRATION 109317

PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1012160

POLLUTION PREVENTION PLANNING ID NUMBER P00971

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: September 12, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: September 12, 2008 to September 12, 2013

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Rachel Bekowies

Phone: (512) 239-2608

Site and Owner/Operator History:

- | | |
|--|-----|
| 1) Has the site been in existence and/or operation for the full five year compliance period? | YES |
| 2) Has there been a (known) change in ownership/operator of the site during the compliance period? | NO |
| 3) If YES for #2, who is the current owner/operator? | N/A |
| 4) If YES for #2, who was/were the prior owner(s)/operator(s)? | N/A |

5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 08/30/2010 ADMINORDER 2010-0210-IWD-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(1)
30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: ELMR, No. 1, p. 2 PERMIT
ELMR, No. 1, p. 2a PERMIT
Description: Failure to maintain compliance with the permitted effluent limits.
Classification: Minor
Citation: 30 TAC Chapter 319, SubChapter A 319.11(a)
30 TAC Chapter 319, SubChapter A 319.11(b)
Rqmt Prov: Mon. and Rep. Req. No. 2.a PERMIT
Description: Failure to analyze total chlorine residual utilizing an approved method.
- 2 Effective Date: 09/08/2011 COURTORDER (Final Judgement-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter A 116.10(15)
Description: On December 6, 2008 the multi-national chemical manufacturer illegally released into the air over 400 lbs. of dangerous air contaminants, including 300 lbs. of Isobutylene, 40 lbs. of Nitrogen Oxides, and 80 lbs. of Carbon Monoxide from its plant at 730 Independence Parkway S. La Porte, Texas, in the Houston Ship Channel area.

See addendum for information regarding federal actions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	February 17, 2009	(750363)
Item 2	March 20, 2009	(768424)
Item 3	April 30, 2009	(740867)
Item 4	June 17, 2009	(1060961)
Item 5	July 01, 2009	(741195)
Item 6	August 06, 2009	(759065)
Item 7	September 16, 2010	(864370)
Item 8	December 09, 2011	(968646)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

- 1 Date: 11/13/2012 (1041005)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Description: AKZO failed to maintain an opacity of less than 20% averaged over a six-minute period for any source.
- 2 Date: 08/30/2013 (1073466) CN600125488
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
NSR, Special Condition 2D PA
NSR, Special Condition 5D PA
NSR, Special Condition 7D PA
Special Term & Condition 9 OP

Pending Compliance History Report for CN600125488, RN102177391, Rating Year 2013 which includes Compliance History (CH) components from September 12, 2008, through September 12, 2013.

Description: Failure to record the vent stream flow and composition calculation readings at least every 15 minutes from the data historian. (Category C3)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(f)(2)
5C THSC Chapter 382 382.085(b)
NSR, Special Condition 2B PA
NSR, Special Condition 3 PA
NSR, Special Condition 5B PA
NSR, Special Condition 7B PA
Special Terms & Conditions 1A & 9 OP

Description: Failure to maintain the thermocouple to the back-up flare (EPN: SF-1). (Category C1)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(C)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP

Description: Failure to submit semiannual deviation reports in a timely manner. (Category B3)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(2)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Term & Condition 12 OP

Description: Failure to submit the annual permit compliance certification (PCC) report in a timely manner. (Category B3)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
NSR, Special Condition 2C PA
NSR, Special Condition 3 PA
NSR, Special Condition 5C PA
NSR, Special Condition 7C PA
Special Term & Condition 9 OP

Description: Failure to prevent visible emissions during the operation of the Flare (EPN: SF-1). (Category B13)

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

Addendum to Compliance History Federal Enforcement Actions

Reg Entity Name: **AKZO NOBEL POLYMER CHEMICALS LLC**

Reg Entity Add: 730 BATTLEGROUND RD.

Reg Entity City: DEER PARK

Reg Entity No: RN102177391

Customer Name: Akzo Nobel Polymer Chemicals, LLC

Customer No: CN600125488

EPA Case No: **06-2013-3335**

Order Issue Date (yyyymmdd): 20130626

Case Result: Final Order With Penalty

Statute: CAA

Sect of Statute: 112[R][1]

Classification: Minor

Program: Risk Management Progr

Citation:

Violation Type:

Cite Sect:

Cite Part:

Enforcement Action: Administrative Penalty Order With or Without Inj

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
AKZO NOBEL POLYMER
CHEMICALS LLC
RN102177391**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2013-1730-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Akzo Nobel Polymer Chemicals LLC ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a chemical manufacturing plant at 730 Independence Parkway South in La Porte, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about September 4, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Twenty-Three Thousand Two Hundred Fifty-One Dollars (\$23,251) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Nine Thousand Three

Hundred One Dollars (\$9,301) of the administrative penalty and Four Thousand Six Hundred Fifty Dollars (\$4,650) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Nine Thousand Three Hundred Dollars (\$9,300) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. By November 20, 2012, conducted operator training sessions on proper flare operation;
 - b. On February 27, 2013, implemented a recordkeeping system to ensure that records of pressure testing performed after equipment is replaced are maintained on site for at least two years; and
 - c. On May 5, 2013, replaced the thermocouple relay and wire for the alarm signal to ensure that the minimum net heating value of the Flare (Emission Point Number ("EPN") SF-1) is maintained.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to maintain the minimum net heating value of 300 British thermal units per standard cubic foot ("Btu/scf") for the Flare (EPN SF-1), in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b),

- 40 CODE OF FEDERAL REGULATIONS § 60.18(c)(3)(ii), Federal Operating Permit ("FOP") No. O3331, Special Terms and Conditions ("STC") Nos. 1A and 9, New Source Review ("NSR") Permit No. 19545, Special Conditions ("SC") No. 3, NSR Permit No. 33000, SC No. 2A, NSR Permit No. 34028, SC No. 5A, NSR Permit No. 45065, SC No. 7A, and NSR Permit No. 7700, SC No. 5A, as documented during a record review conducted from March 20, 2013 through April 11, 2013. Specifically, the net heating value fell below 300 Btu/scf on 158 intermittent occasions between February 6, 2012 and October 27, 2012.
2. Failed to maintain records of pressure testing performed after the replacement of piping or connection equipment, in violation of 30 TEX. ADMIN. CODE §§116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O3331, STC No. 9, and NSR Permit No. 19545, SC No. 5, as documented during a record review conducted from March 20, 2013 through April 11, 2013. Specifically, during the period of January 17, 2012 through January 16, 2013, records of pressure testing performed after equipment was replaced were not maintained.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Akzo Nobel Polymer Chemicals LLC, Docket No. 2013-1730-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Nine Thousand Three Hundred Dollars (\$9,300) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

3/6/14
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

December 19, 2013
Date

Scott Fossum

Name (Printed or typed)
Authorized Representative of
Akzo Nobel Polymer Chemicals LLC

Site Director
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2013-1730-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Akzo Nobel Polymer Chemicals LLC
Penalty Amount:	Eighteen Thousand Six Hundred One Dollars (\$18,601)
SEP Offset Amount:	Nine Thousand Three Hundred Dollars (\$9,300)
Type of SEP:	Contribution to a Third-Party Administrator SEP
Third-Party Administrator:	Houston-Galveston Area Council-AERCO ("AERCO")
Project Name:	<i>Clean Vehicles Partnership Project</i>
Location of SEP:	Angelina, Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Matagorda, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Trinity, Tyler, Walker, Waller, and Wharton Counties

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Houston-Galveston Area Council-AERCO** for the *Clean Vehicles Partnership Project*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount will be used to to replace old, higher emission buses that do not meet 2010 Environmental Protection Agency ("EPA") emissions standards ("Old Buses") with new, lower emission buses that meet the most recent EPA emissions standards ("New Buses") or to retrofit or convert Old Buses with emissions reducing equipment. The Third-Party Administrator shall allocate the SEP Offset Amount to public entities such as school districts, local governments, and public transit authorities ("SEP Recipients") that apply for replacement, retrofit, or conversion of buses.

The SEP Offset Amount may also be used for retrofit or conversion technology that brings an Old Bus up to current EPA emissions standards. New buses may be alternative-fueled. The SEP Offset Amount may be used for up to 100% of the replacement, conversion, or retrofit cost. The SEP Offset Amount will be used only for purchase of New Buses or conversion or retrofit equipment and contract labor for installation of equipment. The SEP Offset Amount will not be used for financing such a purchase through a lease-purchase or similar agreement.

Retrofitting means reducing exhaust emissions to current standards by installing devices that are verified or certified by the EPA or the California Air Resources Board as proven retrofit technologies. Converting means replacing an engine system with an alternative fuel engine system to bring the Old Bus within the current EPA emissions standards. Buses to be replaced, retrofitted, or converted must be in regular use (driven at least five hundred miles per year for at least the past two years) by the SEP Administrator and must not already be scheduled for replacement in the following twenty-four months.

All replaced buses must be fully decommissioned. The Third-Party Administrator shall provide proof of decommissioning to TCEQ for each replaced vehicle by submitting a copy of the TCEQ SEP Vehicle Replacement Disposition Form. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

Respondent's signature affixed to this Agreed Order certifies that Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a 2010 ultra-low emission model, passengers' exposure to nitrogen oxides may be reduced by 98%; volatile organic compounds by 93%; carbon dioxide by 83%; and particulate matter by 99%. In addition, by encouraging less bus idling, this SEP contributes to public awareness of air pollution and air quality.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall make the check payable to **Houston-Galveston Area Council-AERCO SEP** and shall mail the contribution with a copy of the Agreed Order to:

Houston-Galveston Area Council-AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.